

# This Computes!



Department of Health Care Services  
Children's Medical Services Network  
(CMS Net) - Information Bulletin #267

## Provider Billing For Medical Supplies And Low Cost Durable Medical Equipment (DME)

Effective for dates of service on or after September 1, 2008, providers will be able to bill for medical supplies using specific product codes (codes 9900A – 9999Z with the exception of miscellaneous codes 9999A and 9999B), and/or low cost DME **without using a product specific SAR**, if:

- \*the medical supplies requested do not exceed the billing limits set by Medi-Cal as referenced in the Medi-Cal Provider Manual, Allied Health, Part 2, Durable Medical Equipment and Medical Supplies, pertaining to each medical supply category (e.g., incontinence, ostomy, urologicals, wound); and/or
- the DME requested does not exceed the thresholds for authorization as referenced in the Medi-Cal Provider Manual, Allied Health, Part 2, Durable Medical Equipment and Medical Supplies, [Durable Medical Equipment: An Overview](#); and
- the provider prescribing the medical supplies and/or DME has a Service Code Grouping (SCG) SAR for either SCG 01, 02, 03, 07, 10, or 12 authorized with dates of service that include the dates of service on which the medical supplies and/or DME are dispensed.

**A separate, product specific SAR** is required for providers of medical supplies and/or low cost DME if:

- the billing limits of the medical supplies (for example, quantity) are exceeded, in accordance with Medi-Cal policy; or
- there is no specific code for the medical supply (i.e., a miscellaneous code is needed for billing); or

- the medical supplies are authorized using an NDC (e.g., lancets and test strips); or
- the DME exceeds the Medi-Cal thresholds.

When the providers of medical supplies and/or low cost DME submit their claims, the EDS claims payment system will “look for” an SCG SAR.

- If the Medi-Cal limits or thresholds have not been exceeded, the claim will pay.
- If the limits or thresholds are exceeded, the system will “look for” a product specific SAR.
  - If there is such a SAR, the claim will pay.
  - If there is no product specific SAR, the claim will be denied, and the provider will need to request a product specific SAR and re-bill the claim.

Providers should request a product specific SAR in advance anticipating exceeding billing limitations or thresholds.

\*Note: There is one exception whereby we do not follow Medi-Cal's limits for medical supplies and that is for the age restrictions for incontinence medical supplies. The age restrictions set by Medi-Cal for incontinence supplies do not apply if there is a CCS SAR.